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SUBJECT: SINGAPORE TAX INFO SHARING AMENDMENTS ENTER INTO FORCE

REF: A) 09 SINGAPORE 623; B) 09 SINGAPORE 1016

¶1. (SBU) Amendments to Singapore's Income Tax Act went into force February 9, putting into effect new exchange of information sharing provisions that meet Organization of Economic Cooperation and Development (OECD) standards. Singapore drafted the amendments after the OECD included Singapore on a "grey list" of countries that had endorsed internationally agreed tax standards, but had yet to substantially implement them (ref A). The amendments enable Singapore authorities to share tax information with countries with which it has a Double Taxation Agreement (DTA), without regard for whether it has a domestic tax interest.

¶2. (SBU) Since the OECD placed Singapore on its grey list in April 2009, Singapore has renegotiated 18 DTAs with other countries to include the new exchange of information provisions. The OECD required countries on the list to renegotiate at least twelve DTAs in order to exit the list, a task Singapore accomplished in November. With the tax amendments now in force, Parliament will move soon to ratify the agreements, FOO Guozhi, Head of International Tax at the Ministry of Finance told Econoff. Many of the DTAs will come into force immediately thereafter, though Foo said Singapore is still awaiting notification of ratification of the agreements from some other signatories.

¶3. (SBU) With the passage of the income tax amendments and the new exchange of information provisions, the GOS is hopeful that this will remove one of the barriers toward negotiating a DTA with the United States (ref B). Earlier discussions had foundered on a number of issues, including exchange of information. Ministry of Finance officials have told Emboffs that they see no barriers remaining to completing an agreement with the United States.

SHIELDS